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REMARKS

Claims 1- 6, and 8-20 are currently pending in the application. Claims 1, 5, 11, 15 and 20 have been amended for the Examiner's consideration. The foregoing separate sheets marked as "Listing of Claims" shows all the claims in the application, with an indication of the current status of each .

The Examiner has objected to a spelling error in claim 11, which has been corrected by this amendment.

The Examiner has rejected the claims under 35 U.S.C. §112, second paragraph, as being indefinite. In particular, independent claims 1, 11 and 20 are rejected a) for lack of clarity as to whether "various sites" refers to e-commerce sites, b) for lack of clarity as to whether the customer side negotiating step is performed by the computer or a customer; c) for lack of antecedent basis in going from singular to plural in "site profiles"; d) for lack of clarity as to what action is occurring at the customer computer interface in the capturing step; and e) for lack of clarity in going from static to dynamic customer profiles. The present amendment overcomes these grounds of rejection. As to a), the claim language is amended to "various e-commerce sites". As to b) the rejection is traversed because it is clear that "negotiating by the customer" is done "via said customer computer interface." Thus, contrary to the Examiner's argument, it is perfectly clear that the client-side negotiation is conducted by the customer "via said customer computer interface" and that the e-commerce site's negotiation, which is automated in the first place, has no live human being, and therefore is necessarily with "said customer computer interface." As to c) the claim language is amended to provide a consistent singular reference to the e-commerce site.

The Examiner's comments with respect to d) and e) are noted with particular appreciation. The claims have been amended to clarify the parallelism between the respective profiles of customers by the e-commerce side and the profile of the e-

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commerce site by the customer side. The "static" customer profiles are formulated off-line, prior to negotiations. Similarly, the e-commerce site profile available to the customer prior to a negotiation is "predetermined", as described at page 5, line 19. The "capturing" and "formulating" steps of claim 1 for the customer computer interface generally mirror the "generating" and "assigning" steps of claim 1 for the e-commerce site. Consequently, the "actions" at the "capturing" step are those observed prior to a negotiation, and these "actions" are included in the "formulating" of a "predetermined" profile of the e-commerce site. It will be recalled that the "capturing" and "formulating" steps were originally contained in claim 7, now canceled. In contrast to the profiles as created prior to negotiation, the dynamic modification of profiles that occurs during negotiations, as described at page 4, lines 24-27, and page 5, lines 20-27, is more appropriately claimed by placing the word "dynamically" in front of the two "changing" steps in claim 1, and then dropping the characterization of the respective profiles as being "dynamic" during the negotiation. Similar changes have been made in claims 11 and 20. Note that the phrase "updating the profile" has been removed from the "formulating" step, further clarifying the distinction between pre-negotiation and during-negotiation profiles. This revised formulation of the claims serves to clarify the relationship between the profiles and the negotiation process. It is believed that this resolves the Examiner's grounds for rejection. The Examiner's suggestion to use "first and second profiles" fails to provide this connection, and is made moot by the revised formulation.

The Examiner has not renewed the §103 rejection based on Peckover, which is acknowledged with appreciation.

The Examiner has rejected claims 1-3, 5, 11-13, 15 and 20 under 35 U.S.C. §103(a) as being unpatentable over U.S. Patent No. 6,553,347 to Tavor et al. ("Tavor") in view of U.S. Patent No. 6,055,513 to Katz et al. ("Katz") and U.S. Patent No. 6,125,352 to Franklin et al. ("Franklin"). Tavor describes "Automatic Virtual Negotiations", with the aspect that they are "one-on-one" in the sense of remembering

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the prior negotiation so that the system can adjust more specifically to the user if the user returns. There is a natural language feature, so that the user will think the system is a human being. And there is a "mood setting" feature, similar to the original Solomon reference. But it is all on the seller's system side. Tavor fails to disclose comparable negotiation support on the customer side. The passages cited by the Examiner (col. 4, lines 25-27 and 41-45; col. 5, lines 4-5 and 17-18; col. 7, lines 50-53; col. 11, lines 35-43) for comparable negotiation support on the customer side does not support this element of the invention. Instead, it provides for some form of simulation of the customer (i.e. a "negotiation comparator, such as a neural network") to support the seller's side of the negotiation. There is no indication or suggestion of providing such support to the customer side. Consequently, contrary to the Examiner's assertion, Tavor fails to provide this essential element of the claimed invention. All the customer side interaction in Tavor is normal input, without any support at all, much less support comparable to the negotiation support provided on the seller's side.

It should be pointed out that the claimed invention provides for supporting negotiation on the customer side "based on a dynamically changing profile of the site" where it is also explicit in the claim language that the customer side computer interface begins with an off-line generated "static profile" of the e-commerce site and then modifies that profile based upon on-line behavior of the e-commerce site, thus making the profile dynamic during negotiations. This element of support to the customer side is also missing from Tavor. The Examiner acknowledges that Tavor does not expressly teach the off-line static profile, but this acknowledgment is expressed only with respect to the static profiles of the customer by the e-commerce site. It should also be acknowledged that Tavor fails to teach the corresponding predetermined profile of the e-commerce site by the customer.

As to static profiles of the customer, the Examiner cites the Katz reference. Katz is a system for supporting a telemarketer, and in particular is a system for

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helping the telemarketer do "upsell" transactions to a customer, based in part on information obtained from a "primary" transaction. The focus of Katz is on "real time" responsiveness (see col. 8, lines 22-24), however, the Examiner is using Katz to show "generating static customer profiles off line". The citation to col. 24, lines 30-49, simply talks about past information that can be used in the current circumstance. There is nothing in Katz that can be called a "static customer profile", and – importantly – there is no indication that it is generated "off-line."

As indicated on the record already established in this case, prior art references (e.g. Solomon, with its "haggling" merchant, and now Tavor) deal with the supporting the seller side but do not provide for automated support on both sides of the negotiation as described for the invention. The Examiner asserts that what is missing from Tavor and Katz is provided by Franklin, because Franklin teaches collecting information on merchants by the customer side. This line of argument was addressed earlier in this prosecution with respect to Solomon, and fares no better with Tavor and Katz, for the same reasons. Franklin teaches "selectively selecting and storing product information on a client-side database," as noted by the Examiner. However, Franklin is concerned with facilitating on-line shopping by providing a practical mechanism for the shopper to assemble product information and prices from a plurality of merchants and thereby comparison shop without being dependent upon storage of product information by the merchants. However, there is in Franklin no means for negotiation between buyer and seller, and therefore Franklin lacks the very predicate required for one skilled in the art to connect Franklin with references, like Solomon and Tavor and Katz, which provide negotiation support to the seller. Absent means for negotiation, the comparison shopping information collected by Franklin does not suggest a negotiation profile, wherein the profile is dynamically changed during negotiation. Consequently – and contrary to the Examiner's argument – there is no description or suggestion in Franklin of using information captured by the shopper to negotiate with the seller. Comparison shopping under Franklin is **not** a

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negotiation; rather, it is merely a mechanism to assist the shopper in selecting a product.

Consequently, in light of the foregoing discussion and amendments to the claims, it is believed that claims 1, 11 and 20 are in condition for allowance, and that their dependent claims are therefore also in condition for allowance.

The Examiner has rejected claims 8-10 and 17-19 under 35 U.S.C. §103(a) as being unpatentable over Tavor in view of Katz and Franklin and further in view of Tupiac, K., "Manage purchasing with the Internet" *International Trade Forum* (Jan-March 1999), vol. 1, No. 24 ("Tupiac"). Since these claims depend from claims believed to be in allowable form, this additional ground of rejection is therefore overcome. Furthermore, Tupiac is used by the Examiner to show "storing at the user's computer interface e-commerce site profiles", which is acknowledged as not being expressly taught by Tavor, Katz and Franklin. However, all Tupiac discloses is a "bookmark" for monitoring "the material and labour costs of your suppliers." This information enables the customer to negotiate better prices and discounts. The problem with the Tupiac reference, as with the prior Gerace reference, is that a bookmark fails to meet the definition of "profile" as defined in the specification and claimed. "Profile" relates to an automated means for assisting in the conduct of a negotiation by dynamically changing the profile during negotiations. This notion of a profile for negotiation is different from other uses of the term, as for example is described in the background section of the specification with respect to the Cragun prior art at page 3, lines 2-12. Consequently, Tupiac fails to provide the claim element acknowledged to be missing from Tavor, Katz and Franklin.

The Examiner has rejected claims 4 and 14 under 35 U.S.C. §103(a) as being unpatentable over Tavor in view of Katz, Franklin and U.S. Patent No. 5,991,735 to Gerace. Since claims 1 and 11 are believed to be in allowable form as described above, and since claims 4 depends from claim 1 and claim 14 depends from claim 11, this rejection is also overcome. It should be noted that Gerace teaches about customer

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behavioral profiles for the purpose of providing "agate" information on the Internet. There is no indication in Gerace of a means for negotiation, without which there is no reason or motivation for one skilled in the art to apply Gerace to Tavor in relation to the subject matter claimed in the present invention. It is conceded that Gerace provides a session log, including time and date, as part of tracking user activity. As discussed earlier in this prosecution, Gerace teaches a customer profile, and for updating this profile. But the language of claims 1 and 11 makes clear that the term "dynamic" in the claims refers to the context of a bilateral negotiation, or give-and-take, between buyer and seller. As indicated above with respect to Tupiac, Gerace's tracking information, in particular, and profile information, in general, fails to meet the invention's definition of "profile."

The Examiner has rejected claims 6 and 16 under 35 U.S.C. §103(a) as being unpatentable over Tavor in view of Katz, Franklin and U.S. Patent No. 5,717,923 to Dedrick. Since claims 1 and 11 are believed to be in allowable form as described above, and since claim 6 depends from claim 1 and claim 16 depends from claim 11 this rejection is believed to be overcome. The Examiner acknowledges that Tavor, Katz and Franklin do not teach an on-line negotiation method where the interaction includes the customer's voice and physical actions, but argues that Dedrick teaches a voice input means for modifying a customer's profile. It should be noted that Dedrick teaches about using customer profiles to adapt information content to the customer. There is no suggestion in Dedrick of a negotiation between buyer and seller. Profiles in general are old in the art, as are voice input means, and the critical missing link to make these references to prior art customer profiles relevant to the present invention is a context of buyer-seller negotiation.

In view of the foregoing, it is requested that the application be reconsidered, that claims 1-6 and 8-20 be allowed, and that the application be passed to issue.

Particularly in view of the extended prosecution of this case, should the Examiner find the application to be other than in condition for allowance, the

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Examiner is requested to contact the undersigned at 703-787-9400 (fax: 703-787-7557; email: clyde@wcc-ip.com) to discuss any other changes deemed necessary in a telephonic or personal interview.

If a further extension of time is required for this response to be considered as being timely filed, a conditional petition is hereby made for such extension of time. Please charge any deficiencies in fees and credit any overpayment of fees to Deposit Account 09-0441 (IBM-Almaden).

Respectfully submitted,



Clyde R. Christofferson  
Reg. No. 34,138

Whitham, Curtis & Christofferson, P.C.  
11491 Sunset Hills Road, Suite 340  
Reston, VA 20190  
703-787-9400  
703-787-7557 (fax)

Customer No. 30743